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Electronically Filed On: July 28, 2023

Counsel for Ryan A. Andersen, Chapter 7 Trustee

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:

AFFINITYLIFESTYLES.COM, INC.,
REAL WATER, INC., and REAL WATER
OF TENNESSEE, LLC,

Debtor.

Case No. BK-S-21-14099-NMC
Case No. BK-S-21-14101-NMC
Case No. BK-S-21-14102-NMC

Chapter 7

**NOTICE OF HEARING ON MOTION TO
(1) APPROVE COMPROMISE
PURSUANT TO FEDERAL RULE OF
BANKRUPTCY PROCEDURE 9019; (2)
APPROVE THE SALE OF INSURANCE
POLICIES FREE AND CLEAR OF ALL
LIENS, CLAIMS, ENCUMBRANCES
AND INTERESTS PURSUANT TO 11
U.S.C. § 363; (3) ENTER A
SUPPLEMENTAL INJUNCTION
PURSUANT TO 11 U.S.C. §§ 363 AND
105(a); (4) APPROVE CLAIM
DISTRIBUTION PROCEDURES; AND (5)
APPROVE PROOF OF CLAIM FORM
AND PROCEDURES**

Date of Hearing: August 29, 2023
Time of Hearing: 2:00 p.m.
Place: Courtroom No. 3, Third Floor
Foley Federal Building
300 Las Vegas Blvd., S.
Las Vegas, NV 89101

Judge: Honorable Natalie M. Cox¹

¹ Unless otherwise indicated, all chapter and section references are to the Bankruptcy Code, 11 U.S.C. §§ 101-1532, and to the Federal Rules of Bankruptcy Procedure, Rules 1001-9037. The Federal Rules of Civil Procedure will be referred to as "FRCP" and the Federal Rules of

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NOTICE IS HEREBY GIVEN that the *Motion to (1) Approve Compromise Pursuant to Federal Rule of Bankruptcy Procedure 9019; (2) Approve the Sale Of Insurance Policies Free And Clear of All Liens, Claims, Encumbrances and Interests Pursuant to 11 U.S.C. § 363; (3) Enter a Supplemental Injunction Pursuant to 11 U.S.C. §§ 363 and 105(a); (4) Approve Claim Distribution Procedures; and (5) Approve Proof Of Claim Form And Procedures* (the “Motion”) was filed by Ryan A. Andersen (the “Trustee”), the Chapter 7 Trustee in the above-captioned bankruptcy case, by and through her counsel of record, Jacob L. Houmand, Esq. and Bradley G. Sims, Esq. of the Houmand Law Firm, Ltd.

The Motion seeks an order approving a settlement agreement (the “Settlement Agreement”) between the Trustee and Ohio Security Insurance Company, Peerless Indemnity Insurance Company, The Ohio Casualty Insurance Company, West American Insurance Company (collectively, the “Settling Insurers”) resolving disputed claims for insurance coverage for debtors Affinitylifestyles.com (“ALS”), Real Water, Inc. (“RW”), and Real Water of Tennessee, LLC (“RWT” and together with ALS and RW, the “Debtors”). Pursuant to Local Rule 9019(c), notice is hereby given that the terms of the Settlement Agreement include the following: ²

a. Subject to all of the terms and conditions of the Settlement Agreement, the Settling Insurers shall pay the Trustee the total sum of \$4,000,000 (the “Settlement Amount”).

b. The Settlement Amount shall be deposited into separated segregated accounts as follows: (i) the sum of \$3,600,000 shall be deposited in a separate account (the “Claims Fund”) to be used solely and exclusively for paying the claims that are allowed and paid in accordance with the Claim Settlement and Distribution Procedures (the “Real Water Claims”) and for other general unsecured claims that are allowed in accordance with applicable bankruptcy law and procedures; and (b) \$400,000 of the Settlement Amount (the “Administrative Payment”) shall be deposited into a separate account (the “Administrative Fund”) to be used for paying the estimated

Bankruptcy Procedure will be referred to as “FRBP.” The Local Rules of Practice for the United States Bankruptcy Court for the District of Nevada shall be referred to as the “Local Rules”.

² Capitalized terms used but not defined herein shall have the meaning set forth in the Motion.

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defense costs of the Estate and of liquidating and paying the Real Water Claims.

c. Upon payment of the Settlement Amount, the Trustee shall convey, transfer and deliver the certain insurance policies and certificates (“Subject Insurance Policies”) issued, or allegedly issued to the Consolidated Debtor, to the Settling Insurers as described more particularly in the Agreement, free and clear of all Interests, including liens, claims, encumbrances, and other interests, and (b) fully release any and all claims and extra-contractual claims against the Settling Insurers and related entities relating to the Subject Insurance Policies.

d. All Interests that any Person, might have in, or against, the Policies shall attach to the Settlement Amount.

e. An injunction pursuant to Sections 105(a) and 363(f) of the Bankruptcy Code will be entered permanently enjoining all Persons from asserting any Barred Claims against the Settling Insurers.

The description of the Settlement Agreement set forth herein is a summary only and does not modify or otherwise affect the terms of the Settlement Agreement. To the extent of any conflict between the Settlement Agreement and the description set forth herein, the Settlement Agreement shall control.

The Motion also seeks approval of claims-allowance and distribution procedures (the “Procedures”) which govern how the Trustee will administer the funds resulting from the Settlement Agreement (the “Claims Fund”). The Motion further seeks approval of a special claim form and claims procedures to be used in the administration of the Claims Fund.

A copy of the Motion and the *Declaration of Ryan A. Andersen In Support of Motion to (1) Approve Compromise Pursuant to Federal Rule of Bankruptcy Procedure 9019; (2) Approve the Sale Of Insurance Policies Free And Clear of All Liens, Claims, Encumbrances and Interests Pursuant to 11 U.S.C. § 363; (3) Enter a Supplemental Injunction Pursuant to 11 U.S.C. §§ 363 and 105(a); (4) Approve Claim Distribution Procedures; and (5) Approve Proof Of Claim Form And Procedures* are on file with the Clerk’s Office of the United States Bankruptcy Court, 300 Las Vegas Blvd. South, Fourth Floor, Las Vegas, Nevada 89101. Copies of the Motion and any

supporting declarations may also be obtained from counsel for the Trustee or through the Bankruptcy Court's website at www.nvb.uscourts.gov.

NOTICE IS FURTHER GIVEN that if you do not want the Court to grant the relief sought in the Motion, or if you want the Court to consider your views on the Motion, then you must file an opposition with the Court, and serve a copy on the Trustee ***no later than fourteen days before the hearing date.*** The opposition must state your position, set forth all relevant facts and legal authority, and be supported by affidavits or declarations that conform to Local Rule 9014(c).

If you object to the relief requested, you *must* file a **WRITTEN** response to this pleading with the court. You *must* also serve your written response on the person who sent you this notice.

If you do not file a written response with the court, or if you do not serve your written response on the person who sent you this notice, then:

- The Court may *refuse to allow you to speak* at the scheduled hearing; and
- The Court may *rule against you* without formally calling the matter at the hearing.

NOTICE IS FURTHER GIVEN that a hearing on said Motion will be held before a United States Bankruptcy Judge, in the Foley Federal Building, 300 Las Vegas Blvd. South, Third Floor, Courtroom No. 3, Las Vegas, Nevada on August 29, 2023, at 2:00 p.m. The Court will conduct a telephonic hearing on the Motion. The toll-free conference line 1 (669) 254 5252, Meeting ID: 161 110 6049, and the participant code is 154251#. Please check the Bankruptcy Court's website prior to the hearing to confirm the call-in information, at: <https://www.nvb.uscourts.gov/calendars/court-calendars/>.

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1 **NOTICE IS FURTHER GIVEN** that this hearing may be continued from time to time
2 without further notice except for the announcement of any adjourned dates and times at the
3 above-noted hearing or any adjournment thereof.

4 Dated this 28th day of July, 2023.

5 **HOUMAND LAW FIRM, LTD.**

6 By: /s/ Bradley G. Sims

7 Jacob L. Houmand, Esq. (NV Bar No. 12781)

8 Bradley G. Sims, Esq. (NV Bar No. 11713)

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14 *Trustee*

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